

Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	21 st January 2026
Subject:	Closing of Accounts 2023/24 and 2024/25
Chief Officer:	Ian O'Donnell – Executive Director Corporate Resources (S151 Officer)
Contact Officer:	Nick Penny – Director of Finance Corporate and Commercial
Ward(s):	All
Exempt:	No
Appendices:	2023/24 Statement of Accounts 2024/25 Statement of Accounts

1. Summary and Recommendations

1.1 This report provides an update on progress to close the 2023/24 and 2024/25 statement of accounts.

Recommendations:

1.2 Audit and Corporate Governance Committee is recommended to:

- (a) Approve the 2023/24 statement of accounts as final following the 30-day public inspection period and audit disclaimer.
- (b) Note the publication of the 2024/25 draft statement of accounts on 12th December 2025 and that the audit commenced in January 2026.

Commissioner Review

The proposals to clear the backlog of historical accounts and reset the system, require local authorities to implement measures to clear all outstanding years, by the local audit backstop date (for FY 2024/25, backstop date is 27 February 2026), and develop the long-term reforms required to reset the system and prevent a backlog recurring in the future.

The Council's very serious financial challenges have arisen over a long period and represent the compounded impact of a wide range of issues including poor historical records, processes, and procedures, affecting multiple years of accounts. The Work in the Council (supported by commissioned risks-based assurance reviews) to 2024/25, completes the legacy outstanding accounts. It should be recognised that audit opinions for the outstanding years 2019/20 – 2024/25 have and will be disclaimed and that there are still significant improvements to be implemented as outlined in Internal and External audit recommendations and the Councils Finance Improvement Programme.

In seeking to rebuild assurance over successive years, clearing all backstop-related disclaimers by the end of 2027/28 and resetting the system, the Council needs to go further and faster. To this effect the Government is considering what further measures may be necessary to support both auditors and local authorities in accelerating progress. It is

essential that this work continues to be prioritised across the Council, with a clear plan appropriately resourced and work completed to a suitable quality and pace.

2. Report

- 2.1 The Accounts and Audit Regulations 2015 (as amended) set out the requirements for publication of backlog statements of accounts. Officers have continued to work to a very challenging timetable over the period of the last 2 financial years to prepare, publish and finalise four years' accounts (2019/20 to 2022/23). These have all been published on the Council's website.
- 2.2 This report sets out the progress made on the 2023/24 and 2024/25 statement of accounts, providing an update to the committee on progress since the last report in November 2025.

3. Background

- 3.1 Officers have been working diligently to prepare and publish six sets of accounts to get the Council back on track, but as reported to previous meetings of the Committee have encountered significant problems in preparing these due to a number of factors, including poor record keeping, lack of document audit trails, lack of reconciliations, and specific problems relating with accounting and statutory returns.
- 3.2 Following publication of the final Statement of Accounts for 2022/23 in February 2025, a more detailed review of historic balance sheet items has been conducted following identification of legacy accounting issues, during preparation of the 2023/24 accounts. Work to provide assurance on all Balance Sheet items is an ongoing process, but to provide an independent review EY were commissioned to undertake a short assurance review during July and August 2025. This has led to delays in finalising these accounts while the findings of this review were digested and further internal review to improve the accuracy of the accounts was undertaken.
- 3.3 The 2018/19 accounts received a disclaimed audit opinion, as the auditors determined that they were unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion of the prepared financial statements. Subsequent accounts to 2022/23 have also received a disclaimed audit opinion, as a consequence of the time constraints of the backstop accounts deadlines, meaning auditors have been unable to obtain sufficient appropriate audit evidence to state, in their opinion, whether the financial statements are properly put together and free from material errors. This is an important distinction from the 2018/19 opinion.
- 3.4 It should be noted that the 2024/25 accounts will be the first since 2018/19 that will be subject to any audit work, so it was even more important that additional work was undertaken to provide a greater level of assurance on the 2023/24 closing position (which provide the opening balances for 2024/25). The audit will be condense due to the UK audit backstop dates which are government-set deadlines to clear the backlog of local authority accounts, with specific dates for each financial year (e.g. 2024/25 by Feb 2026) to force publication, resulting in many disclaimed opinions but aiming to restore audit system discipline and transparency for public funds.

2023/24 Statement of Account Update

- 3.5 The 2023/24 accounts were published on the 31st October 2025 and were subject to a 30-working day public inspection in line with audit regulations.
- 3.6 No audit work was undertaken on these accounts and as such the auditors are not able to provide an opinion on these accounts meaning that they will have a disclaimed audit opinion in line with prior year accounts as detailed above. The opinion on the 2023/24 accounts will be presented to this committee by Grant Thornton and following this meeting the final version of the 2023/24 accounts will be published.
- 3.7 As highlighted in the July 2025 update report, the preparation of the 2023/24 accounts identified £14.75m of restatement issues (as per the table below). A formal request for this additional financial support (Capitalisation Directive) has been requested from MHCLG meaning the totality of the financial support requested is £313.40m as at the end of 2023/24. The published accounts assume that MHCLG agree to the additional capitalisation directive and the audit report will also be prepared on this basis.
- 3.8 The link to the published 2023/24 Statement of Accounts is attached as Appendix 1 to this report.

2024/25 Statement of Account Update

- 3.9 As highlighted earlier in the report 2024/25 is the first year since 2018/19 which will be subject to some external audit work. The audit was due to begin on the 15th September 2025 but was deferred due to the delay in finalising the 2023/24 statement of accounts and the knock-on effect on the preparation of the 2024/25 accounts.
- 3.10 The 2024/25 draft statement of accounts were published on Friday 12th December in line with the revised timeline provided to this committee in November 2025. These accounts are subject to a 30 working day public inspection in line with audit regulations which commenced on Monday 15th December and ends on Wednesday 28th January 2026.
- 3.11 Since the publication of the draft accounts, finance staff have uploaded the required working papers to the audit portal with the audit work due to commencing on Friday 2nd January. Due to the aforementioned delays and the need for all 2024/25 audit work to be completed by February 2026 this will not be a full audit but will largely focus on reviewing in year transactions.
- 3.12 The challenges faced along the way closing the legacy accounts and the 2023/24 and 2024/25 accounts have been significant, areas of weakness and lessons learned including those from external reviews such as the EY balance sheet review have been considered and either implemented or a plan is in place to implement for 2025/26 closing. Some improvements are ongoing as part of the Finance Improvement Programme. Work will begin shortly to prepare a closing timetable for 2025/26 which will enable Slough to continue its journey of improvement towards high quality and timely financial statements.

4. Implications of the Recommendation

Financial implications

- 4.1 The financial implications of the 2023/24 and 2024/25 statement of accounts are set out in the body of the report.
- 4.2 Delivery of the detailed closure of accounts work has required the setting up of a dedicated finance project team, for which some limited back-filling has been required, with limited external support where specific technical skills are required. The cost of this is £0.196m, which is financed as part of the budget smoothing reserve drawdown of £1.373m approved by cabinet in September 2025.
- 4.3 Costs of external audit fees for the years 2019/20 to 2024/25 were factored into the 2025/26 budget.

Legal implications

- 4.4 Regulation 9A was inserted into the 2015 Regulations to provide that, for the financial years 2023/24 the deadline to publish the final accounts and statements is 28 February 2025 and for 2024/25 27 February 2026. The accounts for 2025/26 should be published by 31 January 2027. The published statement of accounts must have been approved by the Category 1 authority in accordance with regulation 9(2) of the 2015 Regulations and include the opinion and any certificate from the local auditor in accordance with section 20(2) of the Act.
- 4.5 Where a Category 1 authority is unable to comply with the publication deadlines, for instance where the public inspection period has not been completed, meaning the accounts cannot be audited, regulation 9(5) and (6) apply. These state that if the auditor is considering an objection, declaring an item of account unlawful, considering whether to make an application to court or an application has been made and has not been determined (including at appeal) or the auditor is not satisfied that the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, the authority must publish a notice stating that it has not been able to publish its accountability statements and its reasons for this and publish its accountability statements as soon as reasonably practicable. If these matters do not apply, the authority must publish a notice stating it has failed to publish its accountability statements, its reasons for this and that it acknowledges that it must publish its accountability statements as soon as reasonably practicable. It must also send a copy of this notice to the Secretary of State and publish its accountability statements as soon as reasonably practicable.

Risk management implications

- 4.6 Failure to publish the Statement of Accounts on time has significant reputational risks for the Council. A dedicated project team was put in place for completion of the 2019/20 to 2023/24, and some of that team has been to provide continuity for completion of the 2024/25 accounts commencing in the new financial year.
- 4.7 There are inherent financial risks for financial sustainability arising from potential liabilities not recognised without adequate prior year's audited accounts.

Environmental implications

4.8 There are no specific environmental implications of the recommendations.

Equality implications

4.9 There are no specific equalities and inclusion implications of the recommendations.

Procurement implications

4.10 There are no specific procurement implications arising from the recommendation, however any additional external support required for completion of the backlog accounts process will continue to be commissioned in accordance with both the Public Contracts Regulations 2015, or Procurement Act 2023, and the Council's Contract Procedure rules, as amended by Council in September 2024. Any exception to the latter should only be for emergency requirements, following review by officers through the Expenditure Control Board, and will be reported to the following Audit and Governance Committee.

Workforce implications

4.11 What is being managed is a very intensive programme of deliverables. The backlog audit work programme must be undertaken in conjunction with the normal business activities of the Council. A dedicated project team within Corporate Resources has been set up which will require some limited temporary backfilling but will also require support from other key areas across the Council with a risk of additional pressures. Where any additional external resources are engaged it is vital that the appropriate level of internal capacity building is included within the contractual arrangement. From a duty of care perspective, it is essential that adequate resources are identified to fulfil essential requirements.